

Special Report: TWO YEARS OF WELFARE REFORM

Where do we stand with **Welfare Reform**, one of the most sweeping social changes ever, which has now been in effect for over two years in Arizona? Some trends are beginning to emerge.

First, **there has been a large reduction in welfare recipients.** In Tempe, the percentage of reduction was **36%**. Nationally, the decrease has been **44%**, from over 14 million in 1993 to under 8 million at the end of 1998. In Arizona, the numbers decreased from over 63,000 in December 1995 to around 36,000 in September 1998, a decrease of some 27,000 or **43%**.

**Welfare Rolls -
down 44%**



Secondly, there seems little doubt that the **booming U.S. Economy** has been the most significant single factor relating the decrease in recipients. Opinions differ on exactly how this has been working. For instance, on June 18, 1999, two articles in local papers presented decidedly different pictures. The Arizona Republic reported on a study by the Urban Institute with the headline, "Welfare recipients grab jobs quickly". On that same day, The Tribune reported on a study by the Columbia University Center for Children in Poverty with the headline, "Study: welfare reform moves families into low-paying jobs." That latter study stated,

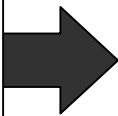
"Reductions in...caseload are being attributed to mandated changes in immigrant eligibility, movement into the work force, departures due to sanctions or time limits, and reduced entries that reflect diversion programs as well as participants' reluctance to conform to TANF mandates, particularly the work requirements. In the 1990s, a strong economy and new state waiver programs had already stimulated declining enrollment in AFDC. (Welfare Reform) requirements, plus continued economic vitality, are sustaining these earlier trends."



U.S. Economy

Also, **many former recipients have left welfare rolls involuntarily.** Some 10,000 Arizona households have lost welfare assistance due to reaching time limits (two years at any one time, five years lifetime) and 6,500 households were "sanctioned" off welfare in FY 1999, i.e., benefits were eliminated because of rules violations (per Vic Hudenko, AZ Homeless Coordinator). The fate of many who have left the welfare rolls, either voluntarily or involuntarily is unknown. According to an Arizona Republic article of 11/30/98, "the state doesn't know what happened to half the families who left the welfare rolls during the past three years or why they left."

**AZ Welfare
Involuntary
Exits: *minus*
16,500**



In related developments, **there has been a related and sometimes puzzling drop in participation in related programs such as food stamps and health care.** Many families are still eligible for Food Stamps and Medicaid health care programs even if no longer eligible for welfare assistance. The August 2, 1999 Wall Street Journal article, "Drop in Food-Stamp Rolls Is Mysterious and Worrisome", states that a recent GAO report shows a drop of **27%** in food stamp rolls over the past 3 ½ years at the same time demand for food assistance has risen (e.g., up 38% in local Catholic parishes and up 14% in 21 major U.S. cities). In Arizona, food stamp enrollment declined by **27%** since 1996, meaning some 149,800 people are no longer using that program (Tribune, 8/9/99). A June 6, 1998 Arizona Republic article, "Medicaid families walk away," stated that, "more than 48,000 former welfare recipients, mostly children, are missing from the state's health care rolls." Reasons for these decreases are incompletely understood, but may relate to confusion over complex rules and being unaware about being eligible. A October, 1999 Urban Institute study on the subject states, "The vast majority (72 percent) of former welfare families reported that they left the FSP because of increased earnings or a new job. We do not know whether this means that they assumed (or were told) that they no longer qualify for food stamps because they now have earnings, or if they chose to leave the welfare system when they began working....A fair number of former food stamp recipients report that they left because of administrative problems or hassles."

Many of those leaving welfare have become “working poor” – The study from Columbia University (cited in item 1, above), shows the national poverty rate declining within the strong national economy. However, more of the nation’s poor children *have at least one parent working but are still unable to get out of poverty*. A study by the Center on Budget and Policy Priorities showed that, “Welfare reform has depressed the income of some of the nation’s poorest families in recent years despite a robust economy” (Arizona Republic, 8/12/99). Income for the poorest 2 million female-headed families fell about \$575 per family from 1995 to 1997. A Milwaukee project called “New Hope”, which actually guaranteed jobs with subsidized wages, found that 73% of the target group failed to shed poverty without additional support from welfare or a second wage earner. State surveys show that between 53 and 73 percent of former welfare recipients found work, but only at an average starting wage of \$6.50 per hour. It is predicted that an economic recession will lead to an increase in welfare rolls. (The Tribune, 5/2/99). The National Center for Children in Poverty study says, “New research activity is focused on those who have left the caseloads. These “leavers” are the subject of many studies. Early findings show that entry to employment has significantly increased although the jobs these individuals attain generally pay low wages and recidivism is significant (about 20 percent).”



There is increased need in Tempe for emergency help related to welfare reform – Analysis of service statistics by Deborah Kahan, Director of the Tempe Community Action Agency (TCAA), a “front line” Tempe agency for emergency help, shows the following changes among those served by TCAA since 1994:

**Tempe Need
for Help -**

TCAA Community Action Program	Fiscal Year 1994	Fiscal Year 1999
Welfare Recipients	16% received AFDC	5% received TANF
Emergency Rent Assistance	221 assists: \$164,523	460 assists: (+108%) \$191,429
Emergency Food Boxes	1,501 food boxes	1,964 food boxes (30% more)
Emergency Lodging	45 motel vouchers	89 motel vouchers (97% more)

However, TCAA clients also showed some overall improvement in economic status during that same time:

TCAA Community Action Program	Fiscal Year 1994	Fiscal Year 1999
Household Income	86% had household incomes of \$10,000 or less	70% had household incomes of \$10,000 or less
Employment	19% heads of household employed at intake	39% heads of household employed at intake

There are a number of studies now underway that may shed more light on what is happening with Welfare Reform. Many politicians have publicly proclaimed Welfare Reform a success and are looking for further reductions in the rolls (The Tribune, 5/2/99, “Welfare Reform a success for now”). What happens when many more recipients reach the 5-year lifetime limit for benefits, particularly in the face of an eventual economic downturn, is yet to be seen. It may represent a “bomb” for our helping agencies with a fuse already burning.



Lf. to Rt.: Charlotte Armbruster, Faculty; Dana Davis, Emily Campbell, Jennifer Hart, Elizabeth Geenen, Eva Tejada. Front Row: Lana Suleymanova, Holly White, Cindy Adson

Shared Living Thanks ASU Students Nurses

Each year a different class of ASU Student Nurses helps Shared Living for the Elderly residents with weekly medical check-ups through the College of Nursing Community Health Nursing Program. Shared Living hosted a lunch to thank the students for all their help and hard work—we know they will make great nurses! For more information on Shared Living contact Mary Ann Gibbs at (480) 921-0134.